

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Procedures for Assessment and Collection of)	MD Docket No. 12-201
Regulatory Fees)	
)	
Assessment and Collection of Regulatory Fees for)	MD Docket No. 13-140
Fiscal Year 2013)	
)	
Assessment and Collection of Regulatory Fees for)	MD Docket No. 08-65
Fiscal Year 2008)	
)	
)	

COMMENTS OF INTELSAT LICENSE LLC

I. INTRODUCTION AND SUMMARY

Intelsat License LLC (“Intelsat”) is pleased to comment on the above-captioned Notice of Proposed Rulemaking (“*Notice*”) and Further Notice of Proposed Rulemaking (“*Further Notice*”), in which the Federal Communications Commission (“FCC” or “Commission”) seeks to update its policies and procedures for assessing and collecting regulatory fees.¹ As discussed herein, Intelsat welcomes the Commission’s efforts to reallocate fees to reflect more accurately the Commission’s work on behalf of U.S.-licensed space station operators.²

Intelsat supports the Commission’s proposed changes to the methodology for assessing regulatory fees on International Bureau (“IB”) regulatees.³ As discussed below, these changes

¹ See *Procedures for Assessment and Collection of Regulatory Fees*, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, MD Docket No. 12-201, FCC 13-74 (May 23, 2013).

² *Notice*, ¶ 1.

³ *Id.* at ¶¶ 17-29.

effectuate a fairer system for disbursing the FCC’s regulatory costs among communications providers who benefit from the Commission’s work. Intelsat also welcomes the Commission’s efforts to widen the scope of satellite operators subject to regulatory fees to include non-U.S.-licensed space stations serving the U.S.⁴ Non-U.S.-licensed satellite operators reap the benefits of the IB’s regulatory work, yet do not pay application and regulatory fees. The FCC should impose a regulatory fee on non-U.S.-licensed operators with U.S. market access that is reasonably related to the cost of providing the benefits the operators receive. Towards this end, the FCC may want to consider the scope of work conducted by the FCC that benefits non-U.S.-licensed operators.

II. DISCUSSION

A. Intelsat Supports the Proposed Reallocation of International Bureau FTEs

Intelsat supports the Commission’s efforts to examine more closely the work of the IB and the resulting proposed allocation of International Bureau full time employees (“FTEs”) for regulatory fee assessment.⁵ As explained in the *Notice*, “fairness warrants an allocation that more closely reflects the appropriate proportion of direct costs required for regulation and oversight of International Bureau regulatees.”⁶ The evolution of the communications industry and the expansion of services offered by carriers created a convergence of FCC-regulated arenas that broadened the IB’s regulatory responsibilities. The Commission aptly recognizes that the IB now “has unique duties to assist bureaus and their regulatees throughout the Commission, and

⁴ *Id.* at ¶ 22, *Further Notice*, ¶ 49.

⁵ *Notice*, ¶¶ 17-29.

⁶ *Id.* at ¶ 18.

represent the Commission on a variety of international issues affecting those regulatees.”⁷

Today, the IB “works on matters including but not limited to spectrum use, cross-border coordination, broadband deployment, and foreign ownership.”⁸ The multi-faceted International Bureau now services “the entire Commission” and the 1998 FTE data fails to capture these changes to the industry and the Commission’s work.⁹

Intelsat supports the Commission’s close scrutiny of the work conducted by FTEs in the International Bureau.¹⁰ Intelsat recognizes the direct contributions of the 25 Satellite Division FTEs to regulation of the satellite industry, and supports allocating these FTEs to the space and earth station operators who benefit from their work.¹¹ Additionally, the planned reallocation of Strategic Analysis and Negotiations Division (SAND) FTEs as indirect FTEs and similar indirect treatment of Policy Division FTEs who work on international issues fairly reflects the work of these FTEs on behalf of the entire Commission.¹² Therefore, Intelsat agrees that the Commission should adopt the proposed reassessment of regulatory fees attributed to the International Bureau.¹³

⁷ *Id.* at ¶ 19.

⁸ *Id.*

⁹ *Id.* at ¶¶ 8, 19.

¹⁰ *Id.* at ¶ 18-19.

¹¹ *Id.* at ¶ 23.

¹² *Id.* at ¶ 28.

¹³ The proposed one percent increase in the per license fee from 2012 to 2013 is consistent with fee increases in years past. *See id.* at Attachment A1.

B. The Commission Should Assess Regulatory Fees on Non-U.S.-Licensed Satellite Operators

In addition, because the work of Satellite Division FTEs benefits all who participate in the U.S. satellite industry, the Commission should assess regulatory fees on non-U.S.-licensed space stations with U.S. market access.¹⁴ In the *Further Notice*, the Commission seeks comment on “whether regulatory fees should be assessed on non.-U.S. licensed space station operators providing service in the United States.”¹⁵ Non-U.S.-licensed operators who elect to serve the U.S. benefit from the International Bureau’s regulatory activities and should pay regulatory fees.

The FCC should impose a regulatory fee on non-U.S.-licensed operators with U.S. market access that is reasonably related to the cost of providing the benefits those operators receive from U.S. regulation. The work of the FCC creates an orderly framework for the provision of satellite services in the U.S. More specifically, FCC regulatory activities ensure multiple satellites—both U.S.-licensed and foreign-licensed—can serve U.S. customers without harmful interference. This is a significant regulatory benefit to foreign-licensed operators that pay nothing for it.

The Satellite Division’s work on behalf of non-U.S.-licensed satellite operators with U.S. market access generates regulatory costs.¹⁶ For example, the IB’s work to adopt a policy allowing non-U.S.-licensed space stations U.S. market access was for the principal benefit of foreign-licensed operators.¹⁷ Moreover, foreign-licensed satellite operators actively participate

¹⁴ *Id.* at ¶ 47.

¹⁵ *Id.* at ¶ 48.

¹⁶ *Id.*

¹⁷ *See, e.g., Foreign-Licensed Space Station Provision of Service in the United States*, Report and Order, 12 FCC Rcd 24094, ¶ 196 (1997) (requiring a potential foreign entrant to submit foreign licensing information); *see also Inmarsat, Inc. Request to Streamline Licensing of*

in rulemaking proceedings and their engagement on policy issues contributes to the work of Satellite Division FTEs. In the recent comprehensive review of the Commission's Part 25 rules for satellite services, almost all of the satellite operators that submitted comments operate foreign-licensed satellites with U.S. market access.¹⁸ Because non-U.S.-licensed operators require the Commission to expend resources on evaluation, oversight, and rulemaking, and have a voice in shaping Commission policies, they should share in the costs associated with these regulatory activities.

In addition to contributing to Satellite Division FTEs' rulemaking work, foreign-licensed operators benefit from the authorization and regulatory compliance activities of Satellite Division FTEs. There are currently 36 satellites on the C- and Ku-band Permitted Space Station List, 7 satellites on the Ka-band Permitted Space Station List, and 7 satellites on the ISAT List, all of which gained access through petitions for declaratory ruling evaluated by Satellite Division FTEs – none of which has had to pay an application or regulatory fee.¹⁹ The process for assessing the technical qualifications of these foreign-licensed operators mirrors the process for

L-band Mobile-Satellite Service Terminals Using Inmarsat Satellites as Points of Communication, 23 FCC Rcd 15268 (2008) (establishing a list of Inmarsat satellites approved to serve the U.S. market in the L-band).

¹⁸ See, e.g., Reply Comments of SES Americom, Inc., New Skies Satellites B.V. and O3b Limited, *Comprehensive Review of Licensing and Operating Rules for Satellite Services*, IB Docket No. 12-267, 3 (filed Feb. 14, 2013); Reply Comments of Inmarsat, *Comprehensive Review of Licensing and Operating Rules for Satellite Services*, IB Docket No. 12-267, 3 (filed Feb. 14, 2013).

¹⁹ Notice, ¶ 48; see also Federal Communications Commission, *Permitted Space Station List*, available at <http://transition.fcc.gov/ib/sd/se/permitted.html>; Federal Communications Commission, *Ka-band Permitted Space Station List*, available at http://transition.fcc.gov/ib/sd/ka_band.html; Federal Communications Commission, *ISAT List*, available at <http://transition.fcc.gov/ib/sd/se/isat.html>.

evaluating applications for U.S. space station licenses, with the additional burden of examining paperwork from foreign licensing regimes.²⁰

In addition, the orderly system of space station operations administered by the Satellite Division benefits the entire satellite industry. Satellite Division FTEs oversee the policies and technical requirements that protect foreign-licensed satellites with U.S. market access from harmful interference. These FTEs also actively monitor non-U.S.-licensed operators with U.S. market access to ensure milestone compliance and fulfillment of all the operational requirements applicable to U.S. licensees.²¹

Imposing a regulatory fee on non-U.S.-licensed satellites that benefit from the work of FTEs would be consistent with the cost recovery purpose of the fee. Non-U.S.-licensed satellite operators are subject to the same requirements and receive the same regulatory protections as U.S. licensees. Congress granted the FCC authority to impose similar regulatory fees on “entities providing similar services.”²² The exclusion of non-U.S.-licensed satellite operators from fee assessment therefore conflicts with statutory authority and Commission precedent emphasizing the FCC’s right “to recover the costs of its regulatory activities, including international activities, through the collection of fees assessed against those who benefit from the Commission’s activities.”²³ For this reason, the Commission previously determined that

²⁰ Notice, ¶ 48; see also *Foreign-Licensed Space Station Provision of Service in the United States*, Report and Order, 12 FCC Rcd 24094, ¶ 196 (1997) (requiring a potential foreign entrant to submit foreign licensing information).

²¹ Notice, ¶ 48.

²² 47 U.S.C. § 765a (c) (2012).

²³ See 47 U.S.C. § 159(a) (2010) (“The Commission, in accordance with this section, shall assess and collect regulatory fees to recover the costs of the following regulatory activities of the Commission: enforcement activities, policy and rulemaking activities, user information services,

signatories to intergovernmental satellite organizations that benefit from the Commission's regulatory activities should pay regulatory fees.²⁴ In recognition of the FCC's authority to assess regulatory fees on entities that generate regulatory costs and the significant FCC resources utilized by non-U.S.-licensed operators, such foreign-licensed operators with U.S. market access should pay regulatory fees.²⁵

Moreover, the Commission can assess a regulatory fee on non-U.S.-licensed operators with U.S. market access with little administrative complication. The non-U.S.-licensed operators that would be assessed fees have already opted in to U.S. regulation through market access petitions. Indeed, the C- and Ku-band Permitted Space Station List, ISAT List, and Ka-band Permitted Space Station List provide an easily identifiable accounting of 50 non-U.S.-licensed satellites that benefit from the work of Satellite Division FTEs. As noted above, even if the Commission elects not to impose fees equal to those paid by U.S. licensees, foreign-licensed satellite operators that access the U.S. market could be assessed a fee proportional to the FCC regulatory resources they utilize. Towards this end, the FCC may want to seek further information on the scope of work conducted by the FCC that benefits non-U.S.-licensed operators and impose a reasonably related regulatory fee.

and international activities.”); *see also Assessment and Collection of Regulatory Fees for Fiscal Year 2000*, Report and Order, 15 FCC Rcd 14478, ¶ 22 (2000).

²⁴ *See Comcast Corp. v. FCC*, 283 F.3d 344, 347 (2002) (determining that COMSAT generated significant regulatory costs through its signatory activities and that COMSAT should bear these costs rather than passing them on to its competitors); *see also Assessment and Collection of Regulatory Fees for Fiscal Year 2000*, Report and Order, 15 FCC Rcd 14478, ¶ 24 (2000) (requiring COMSAT to pay a “proportionate share” of applicable fees).

²⁵ To the extent that the Commission believes it does more work for U.S. licensees relative to non-U.S.-licensed operators granted U.S. market access, the agency could decide to charge non-U.S.-licensed operators a reduced amount.

III. CONCLUSION

Intelsat is pleased to support the FCC's proposed revisions to its regulatory fee assessment policies and procedures. Towards this end, Intelsat urges the FCC to adopt the recommendations discussed herein.

Respectfully submitted,

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